

MINUTES OF COUNCIL STRATEGIC PLANNING MEETING – FEBRUARY 4, 2011

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THE WEST VALLEY CITY COUNCIL MET IN A STRATEGIC PLANNING SESSION ON FRIDAY, FEBRUARY 4, 2011, AT 8:00 A.M., IN ROOM 103, UTAH CULTURAL CELEBRATION CENTER, 1355 WEST 3100 SOUTH, WEST VALLEY CITY, UTAH. MAYOR WINDER CALLED THE MEETING TO ORDER.

THE FOLLOWING MEMBERS WERE PRESENT:

Mike Winder
Russ Brooks
Steve Buhler
Carolynn Burt
Don Christensen
Corey Rushton
Steve Vincent

STAFF PRESENT:

Wayne Pyle, City Manager
Paul Isaac, Assistant City Manager/Acting City Recorder
Jim Welch, Finance Director

OTHERS PRESENT:

Pamela Manson, Salt Lake Tribune

15193 **INTRODUCTION AND CITY OVERVIEW: 21ST CENTURY, CURRENT PERSONNEL, OPERATIONS, CAPITAL FACILITIES AND PROGRESS**
City Manager, Wayne Pyle, reviewed the Agenda in general. He suggested to members of the Council that any discussion items could be written on a flip chart paper.

Mr. Pyle discussed the fiscal history of the City spanning the last decade. He stated he had been hired as the City Manager in 2002, at a time when the economy was coming out of a recession. He also discussed personnel issues including market and merit increases, sales tax and property tax increases, as well as how the overall budget had decreased due to declining sales tax revenue over the past several years.

The City Council discussed the state of the economy. Mayor Winder stated many municipalities around the country would not recover fully for 20-25 years. Councilmember Burt suggested that jobs and job growth would continue to be slow in recovering from the recession. Councilmember Brooks commented employees needed to be paid and rewarded for their performance and he hoped the City could get to that point.

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City Manager, Wayne Pyle, discussed various organizational changes, particularly in the Police Department, that had become necessary as a result of the necessity of budget cuts.

Upon inquiry by Councilmember Vincent regarding the ratio of patrol officers to detectives, City Manager, Wayne Pyle, advised on average there were approximately 10 patrol officers on each shift.

Councilmember Buhler stated he viewed the organizational changes as being positive.

Councilmember Vincent, and the City Manager, pointed out the average response times had not necessarily been affected by the organizational changes in the Police Department, but had actually improved or maintained traditional response times.

City Manager, Wayne Pyle, discussed effects of budget constraints on the repair of City streets. He also stated unfortunately this negative trend would probably continue. He advised Parks and Recreation was holding its own, but the number of employees per acres of parks had decreased to the 2005 staffing levels.

Upon inquiry by Councilmember Brooks regarding how contracting out parks work had been going; City Manager, Wayne Pyle, advised efforts in that regard had been maximized. He further advised parks had been negatively affected by the furloughs, lack of PTO cash out, and labor-intensive parks and tasks.

City Manager, Wayne Pyle, discussed major capital facilities projects, namely road maintenance, fire apparatus, City fleet, and the City Center development area, all of which would need special attention of the City Council.

In response to inquiry by Councilmember Vincent, the City Manager explained and clarified the PTO policy.

Mayor Winder called for a short recess at 9:00 A.M., at which time PTO issues were further discussed. Some Council members stated they felt the number of hours accrued should be less.

Mayor Winder called the meeting back to order at 9:10 A.M.

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TOPIC DETAIL DISCUSSION: BUDGET, PERSONNEL, LEADERSHIP, OPERATIONS ASSESSMENT, POLITICAL CULTURE AND DEVELOPMENT

Finance Director, Jim Welch, discussed various budget matters. He discussed sales tax collections and the continual decline in revenue from a high in 2008 of \$22 million to the next year's collections of \$17 million.

Councilmember Brooks suggested the need to get the word out to shop in West Valley City.

Mr. Welch further discussed sales tax trends and property tax collections, stating commercial development had started to pick up again. City Manager, Wayne Pyle, discussed the proposed new Target store and possible auxiliary commercial property to be built around Target in the 5600 West area. He further recommended regarding property tax collections, it would be prudent to hold a town hall in taxation hearing every year in order to recoup the judgment levy.

Finance Director, Jim Welch, discussed utility taxes for natural gas, cable TV, telecommunications, and electricity. He stated collections in that regard remained at approximately \$9 million for 2010 and 2011, and projected at \$9 million for 2012. He showed the Council the following projections regarding 2011 revenue distribution: property tax \$22 million, sales tax \$17 million, utility tax \$9 million, Justice Court \$4.9 million, licenses and permits \$2.7 million, and other miscellaneous items.

Mr. Welch explained future gaps between revenue and expenditures indicating certain actions needed to be accomplished to ensure a balanced budget. He stated this year there would be a shortfall of approximately \$3.1 million and next year would increase to \$7.8 million.

Upon inquiry by Councilmember Burt regarding what the cost overruns were on the Maverik Center, the City Manager advised that situation would significantly improve next year.

Finance Director, Jim Welch, discussed the outstanding debt and stated it would continue to decrease year after year.

Assistant City Manager, Paul Isaac, discussed and provided information regarding employee compensation and benefits.

The City Council discussed the political climate of the City Council, relationships, and interaction with City staff.

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City Manager, Wayne Pyle, led a discussion regarding current development in the City. He discussed the City Center project and outlined different parcels being purchased, including remaining challenges of the project. He discussed the proposed Embassy Suites Hotel in the City Center.

Upon inquiry by Councilmember Rushton regarding if there was going to be a general theme for the City Center, the City Manager explained he hoped the Council would not choose a theme.

The City Council listened to a presentation by a representative of Penna Powers Brian Haynes regarding naming research for the City Center.

Councilmember Vincent stated student housing for the Salt Lake Community College would be a good amenity.

Parking issues were discussed.

City Manager, Wayne Pyle, discussed the design of the promenade and advised it would require about \$500,000.

Mayor Winder also inquired about renaming streets in the City Center if the name of the City Center changed.

Councilmember Rushton suggested 3500 South should be renamed West Valley Boulevard.

Mayor Winder inquired regarding a timeline for naming of the City Center and the City Manager advised that matter would be undertaken in the near future.

Upon inquiry and comment by Councilmember Vincent regarding relocation of businesses, the City Manager advised that Dee Hansen, of the DRH Company, was working with all of the business owners in an attempt to find places for them to move.

Mr. Pyle discussed pertinent matters to be reviewed by the City Council for the rest of the day, including the budget shortfall for FY 2011-2012. He reported the shortfall for FY 2011 would be approximately \$3.7 million. He stated \$600,000 would be coming back to the City from the UIA and there was \$600,000 from PTO funds. He informed of \$1 million in the CIP not allocated and another \$1 million from the sale of property in West Ridge per an agreement with Ivory Homes. He also advised, however, the house size would change per Ivory's proposal. He stated another \$500,000 would cover the \$3.7 million shortfall. He stated these funds would allow the budget to be balanced by the end of the fiscal year. He also advised the downside would be the fund balance at zero. He

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indicated the FY 2012 year would begin with a \$7.8 million shortfall and if the proposed sources were utilized to fund the deficit, the deficit could possibly be down to \$3.6 million. He also mentioned if the Council approved a merit increase of \$1.5 million the number would be in the \$4.5 million deficit range. The City Manager advised he did not see an alternative to a tax increase.

Mayor Winder recessed the Council at 12:00 Noon to have lunch, and called the meeting back to order at 1:50 P.M.

15195 **REVIEW OF PROJECTED SHORTFALL FOR FY 2011 AND FY 2012**

City Manager, Wayne Pyle, reviewed the projected shortfall for FY 2011 and FY 2012 and identified possible revenue sources to balance the budget. After review of revenue, he proposed a plan to divide the revenue sources to cover deficits in FY 2011 and FY 2012.

Mr. Pyle discussed a proposed franchise fee for water and sewer, which would produce \$1.5 million. He stated a franchise fee would provide the user with more control over how much water was used. He indicated consideration could be given regarding a merger with Granger-Hunter Improvement District. He stated if such a merger was accomplished, water could be placed under the Public Works Department.

Upon discussion, the Council expressed a consensus and preference of a franchise fee. Some members of the Council stated the judgment levy and delinquent tax should also be included.

In response to inquiry by members of the City Council regarding any possible solutions other than a tax increase to make up the deficit, the City Manager stated the layoff of 40 people, or cutting whole functions or departments, would have to be accomplished in order to make up \$3.6 million deficit in FY 2012.

Councilmember Brooks inquired regarding selling the north parking lot of the Maverik Center or starting the City's own waste disposal and saving tipping fees.

City Manager further informed and discussed the Ivory Homes proposal to purchase property at West Ridge, which would also reduce the house size to be built.

The City Council expressed a consensus that spending one-time monies would not be prudent and that all of the low hanging fruit was gone and tough decisions needed to be made.

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City Manager, Wayne Pyle, advised that without a tax increase a slash and burn mentality would have to be implemented.

Steve Buhler stated the Council should never make policy decisions based on electability. Councilmember Vincent expressed agreement.

City Manager, Wayne Pyle, advised the City was truly at a crossroads. He stated City residents included young people and older people and had made great progress and development and was right on the cusp of moving forward.

Councilmember Vincent requested consideration of a change to the schedule at the Animal Shelter to include Saturdays.

Councilmember Brooks inquired if there was anything that could be marketed to Salt Lake County, i.e., we could cut the grass at 4700 South.

Councilmember Burt discussed her interest in education and an idea to assist students learning English. She advised of her request for the Utah League of Cities and Towns to take on this initiative through the legislative process. She discussed her advocacy of adjusting the Weighted Pupil Unit statewide for English language students.

Mayor Winder summarized the tax discussion as follows: 1) Door number one is no tax increase; 2) Door number two is a 20% tax increase; 3) Door number three is a "just enough tax increase;" and 4) Door number four is "should we raise it higher?"

The City Council and City Manager further discussed budget and tax issues. Councilmember Burt suggested the need seemed to be a \$65.00 tax increase and maintaining a very lean budget. Councilmember Christensen expressed concurrence with a tax increase that would address the entire \$8 million shortfall. City Manager, Wayne Pyle, advised if the Council agreed to go up to just what was needed there could be enough with a franchise fee for Granger-Hunter Improvement District. Councilmember Burt stated the need to do the best possible with the least amount. Councilmember Buhler expressed concurrence with a raise in taxes even to build a new fire station and purchase equipment. Councilmember Brooks concurred with the need for a tax increase. He pointed out it had been four years since the last increase had been implemented. Mayor Winder asked if there was a way to do a temporary tax increase or cut services.

Councilmember Brooks inquired what the capital facilities would be if taxes were raised. City Manager, Wayne Pyle, reviewed the proposed capital projects, including ladder trucks, pavement management, light fleet and maintenances on existing buildings, and parks. Councilmember Brooks brought up three items of

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concern i.e., need to tell the City's story better, too many Sunday break-ins, and addressing the Fire Department's needs.

Councilmember Christensen discussed reducing office supplies and paper, and use of electronic methods as much as possible. Councilmember Vincent suggested laptops on the desks in the Council Chambers.

Councilmember Rushton stated a nameless person had expressed a desire for more police and fire and informed him they were willing to pay for those services. He stated the individual had stated those things that were "softer" could be cut.

Councilmember Vincent expressed desire to have the Parks and Recreation Director look into closing the Fitness Center on Sundays.

Mayor Winder asked if a tax increase was implemented where that would place the City in terms of dollars of imposed taxes. City Manager, Wayne Pyle, informed an increase as discussed would place West Valley City third behind Salt Lake City and Salt Lake County.

The City Council also discussed other pros and cons of a tax increase and expressed a consensus that if the increase were to be an option then that "story" needed to be told.

Mayor Winder recessed the meeting at 5:15 P.M. so the Council could take a 10-minute break and then reconvened the meeting.

15196 COUNCIL DISCUSSION OF ISSUES:

COUNCILMEMBER COREY RUSHTON

Councilmember Rushton explored and discussed the idea of what neighborhood really means. He discussed preservation and stated the City's concept did not completely cover, but was probably pretty good. He also explained the concept of the property aging cycle, either for good or ill.

Councilmember Rushton stated enforcement and education sectors had been addressed and the investment sector would be addressed next. He discussed planning and zoning for various lifestyles and ages and removing barriers for home retrofits. He inquired what role the rest of the departments played in this question and if every department could have some goal in this overall plan.

COUNCILMEMBER STEVE VINCENT

Councilmember Vincent reiterated support for ideas expressed above by Councilmember Rushton in creating actual plans that people could come in and

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do that work for a minimal permitting process. He suggested creating a preferred list of contractors.

Councilmember Vincent discussed employee residency for employees. He also suggested surveying employee groups as to what would incentivize them to move into the City and what were reasons they might have had for leaving the City.

COUNCILMEMBER COREY RUSHTON

Councilmember Rushton discussed issues brought up by citizens at City Council meetings during the public comment period. He also discussed the Granite School District model. He suggested the Council should either stick to the rules and not respond to citizen comments or open it up for a discussion.

Upon discussion regarding the purpose of the public comment period, Councilmember Buhler stated he felt the purpose of the comment period was for citizens to be able to tell the Council what was going on. Councilmember Rushton inquired if the Mayor should ask Council members for input during the public comment period. Councilmember Vincent stated in the short term the rules could be specified on the sign-up sheet so citizens were informed ahead of time they would not receive answers to their questions during the meeting. He also stated only people who had actually signed the sign-up sheet should be allowed to address the Council. A suggestion was made the sign-up sheet should say, "If you would like to speak to the Council during the comment period please sign-up." After further discussion, the Council concurred to stick strictly to the rules and not respond to people during the actual meeting.

Councilmember Rushton inquired about the proposed vicious dog ordinance. After discussion, members of the Council pointed out the ordinances were already on the books to take care of those issues. City Manager, Wayne Pyle, stated he would direct the Community Preservation Director to review this matter and then he would report back to the Council.

Discussion ensued regarding the condition of Rocky Mountain Power substations, and irrigation ditches. Councilmember Rushton asked if Rocky Mountain should be forced to comply through ordinances to take care of those ditches on their properties. Councilmember Christensen stated the way water rights ran was if a ditch was on private property the owner must take care of it unless it was classified as a storm water ditch. City Manager, Wayne Pyle, advised he would contact Dave Spalding, Rocky Mountain Power, and discuss the Council's issues.

COUNCILMEMBER STEVE VINCENT

Councilmember Vincent asked for an update regarding the Jordan River Market Place. He also inquired if developers came back with some kind of compromise would they be forced to stick to the agreement. City Manager, Wayne Pyle,

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advised the developers would not sign an agreement because the agreement provided the property would revert back to the City if certain conditions were not met. He stated the City was not wrong in imposing that restriction and developers were not wrong in opposing the reversion clause as that precluded them from obtaining appropriate financing. Upon inquiry by Councilmember Vincent regarding ramifications if the City indicated it no longer had an interest, the City Manager stated he would investigate that inquiry and report back. The City Manager advised the City's position currently was one of not "budgeting" from our position.

Councilmember Vincent inquired about parking lot D at the Maverik Center. The City Manager stated the City shared parking with UTA and the Homeland Security building. Councilmember Vincent asked if the City could develop the strip along 3100 South and use those funds to help with the City Center project. The City Manager noted the inquiry and stated he would follow up with discussions with staff. Councilmember Vincent stated the same issue existed with Centennial Park on the west side of 5600 West.

Councilmember Vincent inquired about revisiting the General Plan with further discussions to determine if some things could be " tweaked " or updated in the Plan. He also indicated that would be an opportunity for the more recently elected Councilmembers to be updated on the General Plan.

Mayor Winder adjourned the meeting and advised that the meeting tentatively scheduled for Saturday, February 5, 2011, would be cancelled as all business had been addressed.

THERE BEING NO FURTHER BUSINESS OF THE WEST VALLEY COUNCIL, THE STRATEGIC PLANNING MEETING OF FRIDAY, FEBRUARY 4, 2011, WAS ADJOURNED AT 7:05 P.M., BY MAYOR WINDER.

I hereby certify the foregoing to be a true, accurate and complete record of the proceedings of the Strategic Planning Meeting of the West Valley City Council held Friday, February 4, 2011.

Paul D. Isaac, Acting City Recorder